

June 2014 Volume 52 Number 3 Article # 31AW5 Ideas at Work

The Sponsorship Model: Leveraging Extension Program Funds, Building Local Community Collaborations

Abstract

Garnering alternative Extension programming funds has become a fact of life. A group of University of Minnesota Extension educators use what they call the "Sponsorship Model" to accomplish this. Selected programs are not marketed to program participants but are marketed to potential local community sponsors. Sponsors pay a flat sponsorship fee and are responsible for participant recruitment and selecting the meeting date, location, start time, and any costs such as meeting facility, refreshments, and meals. This process has resulted in greater participant attendance, less management work for the Extension educators, and the ability to generate revenue to sustain and grow programming.

Gary A. Hachfeld Extension Educator and Extension Professor University of Minnesota Extension Mankato, Minnesota hachf002@umn.edu

Introduction

The cost of developing and delivering Extension programming has increased in spite of the Internet and electronic delivery. At the same time, funding for program development and delivery has stagnated or decreased. This article outlines a method, referred to as the "sponsorship model," that can be used to capture program funds, engage a local sponsor in the delivery of a program, and build local community collaborations.

Traditional Model

Traditional sponsorship of an Extension program generally consists of a local business paying for a meeting room, buying beverages and cookies, supplying monogramed napkins and cups, or handing out merchandise such as t-shirts. In the corporate world, businesses such as Pepsi, General Motors, and Nike spend millions of dollars sponsoring an event or program. This is a universally accepted practice worldwide intended to garner public acceptance and the eventual purchase of a product (Fahy, Farrelly, & Quester, 2002; Farrelly & Quester, 2003; McKelvey & Grady, 2008; Kunz, 1969; Pham, 1991; Pham, 1992; Tsiotson & Alexandris, 2009).

Sponsor Model

The sponsorship model takes a much different approach to garnering Extension program funds than traditional Extension or corporate methods. Instead of buying cookies or aiming to sell their product, the sponsor in the sponsorship model is responsible for all the logistics of the meeting, marketing the program, and paying a fee to Extension for delivering the program and related educational materials. The Extension educator does not market the program to the program participant. Instead, the program is marketed to local community sponsors who recruit participants. The sponsorship model is dependent upon an alliance or collaboration between Extension and the local community sponsor. This interdependence or complementary arrangement will result in a successful program (Cropanzano & Mitchell, 2005; Harvey, Gray, & Despain, 2006; Kunz, 1969; Urriolagoitia & Planellas, 2007).

Selecting Sponsors

Selecting sponsors to target takes thought. Sponsors must have a vested interest in supporting the program. Sponsors must see benefit to themselves when hosting a workshop (Galloway, 2004). Potential sponsors for a farm business transition estate planning program would include attorneys, financial planners, accountants, insurance agents, bankers, etc., because they will gain public exposure and hopefully gain new clients by hosting the program.

Clarifying Expectations

It is critical that expectations of the local sponsor and Extension are made clear. This can be accomplished through the use of a sponsor's brochure. The brochure states the sponsor will pay a flat sponsorship fee; select the program date, program location, program start time; recruit all participants; and cover all other program costs such as meeting room fees, refreshments, and meal costs. Extension's role would include deliverables such as curriculum, training, program evaluation, mileage expense, and the availability of a media packet for sponsors aiding them in their recruiting process.

Determining a Sponsorship Fee

Establishing a sponsorship fee can be challenging. Start by calculating all direct expenses such as mileage, lodging, cost of materials, evaluation expenses, etc. For most programs, including staff salary and benefit costs would not be practical. Estimate an average number of workshops that might be delivered over a given period of time. Calculate average mileage to those workshops. Estimate an average number of attendees at each workshop and associated materials costs. Include lodging if applicable as well as evaluation expenses. Simply divide the total cost by the estimated number of workshops, and that is the per workshop sponsorship fee. You may want to add a small profit to build a revenue fund for future programming.

Think about the fee from the sponsor's perspective to determine if a sponsor would pay it to host the workshop. Is it too high so no one will "buy" it? Is it too low relative to the potential demand so you will have too many requests? Visiting with a potential sponsor to discuss the estimated fee could be very useful before advertising to other sponsors. Set the fee high enough so as to imply program quality and to get a serious commitment from the sponsor. A \$100 fee will not be taken seriously by most potential sponsors. A \$1,200 fee will garner a sponsor's serious commitment toward recruitment and follow through.

Program Demand and Evaluation

To ensure your program will be in demand by sponsors, it has to be of the highest quality. This can be accomplished by beginning curriculum development using backward program design (Wiggins & McTighe, 2006). Start with the program end in mind. Clarify program goals, outcomes, and impacts with focus on the learner. Pay attention to the type of audience you are addressing, the way materials might most effectively be used, and in what format. Your program must be innovative and unique, relevant, timely, needs-based, and delivered in a professional manner.

Evaluation is key to the sponsorship process. Completing a comprehensive evaluation can validate program outcomes and impacts. Sharing these findings with sponsors reinforces the value they receive from hosting the program and further enhances the collaborative relationship between Extension and local community sponsors.

Conclusion

Having to step out of our subject matter program mode into an entrepreneurial mode can be intimidating and seem outside our role in Extension. However, exploring alternative funding sources is a fact of life in Extension (Stiehl, Bessey, & Schmall, 1992). A simple mindset change can position you for the task. Enlisting substantive help from local community sponsors will make the task simple and efficient. Creating high quality programs delivered in a professional manner can create sources of funding. Paying attention to organizational mission, ability to deliver a given program, priority of programming, organizational politics, understanding program participants, etc., are key elements in making the sponsorship model effective (Jackson & Johnson, 1999). Understanding what a potential sponsor values in client education is key to the process. Last, believe and trust in your work and its value—so much so, that you are not afraid to charge for it.

References

Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31, 874-900.

Fahy, J., Farrelly, F., & Quester, P. (2004). Competitive advantage through sponsorship: A conceptual model and research propositions. *European Journal of Marketing*, 38(8), 1013-1030.

Farrelly, F., & Quester, P. G. (2003). What drives renewal of sponsorship principal/agent relationship? *Journal of Advertising Research*, 43(4), 353-360.

Galloway, R. (2004). Getting to "yes" to sponsorship. *Journal of Extension* [On-line], 42(6), Article 6IAW3. Available at: <u>http://www.joe.org/joe/2004december/iw3.php</u>

Harvey, B., Gray, S., & Despain, G. (2006). Measuring the effectiveness of true sponsorship. *Journal of Advertising Research*, 46(4), 398-409.

Jackson, D. G., & Johnson, L. (1999). When to look a gift horse in the mouth. *Journal of Extension* [On-line], 37(4), Article 4COM2. Available at: <u>http://www.joe.org/joe/1999august/comm2.php</u>

Kunz, P. R. (1969). Sponsorship and organizational stability: Boy Scout troops. *American Journal of Sociology*, 74(6), 666-675.

McKelvey, S., & Grady, J. (2008). Sponsorship program protection strategies for special sport events: Are event organizers outmaneuvering ambush marketers? *Journal of Sport Management*, 22, 550-586.

Pham, M. T. (1991). The evaluation of sponsorship effectiveness: A model and some methodological considerations. *Gestion 2000*, 4, 65.

Pham, M. T. (1992). Effects of involvement, arousal, and pleasure on the recognition of sponsorship stimuli. *Advances in Consumer Research*, 19, 85-93.

Stiehl, R. E., Bessey, B. A., & Schmall, V. L. (1992). On the hunt for "fiscal fuel." *Journal of Extension* [On-line], 30(4), Article 4FEA3. Available at: <u>http://www.joe.org/joe/1992winter/a3.php</u>

Tsiotsou, R., & Alexandris, K. (2009). Delineating the outcomes of sponsorship: Sponsor image, word of mouth, and purchase intentions. *International Journal of Retail & Distribution Management*, 37(4), 358-369.

Urriolagoitia, L., & Planellas, M. (2007). Sponsorship relationships as strategic alliances: A life cycle model approach. *Business Horizons*, 50, 157-166.

Wiggins, G., & McTighe, J. (2006). *Understanding by design.* Upper Saddle River, New Jersey: Pearson Prentice Hall.

<u>Copyright</u> © by Extension Journal, Inc. ISSN 1077-5315. Articles appearing in the Journal become the property of the Journal. Single copies of articles may be reproduced in electronic or print form for use in educational or training activities. Inclusion of articles in other publications, electronic sources, or systematic large-scale distribution may be done only with prior electronic or written permission of the Journal Editorial Office, joe-ed@joe.org.

If you have difficulties viewing or printing this page, please contact JOE Technical Support